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ABSTRACT

This analysis is the third of a series of seven reports on the ways that the urban fiscal crisis has affected children. There has been little reorganization of government services on the state, regional, or local level to compensate for the benefits to children lost as a result of local property tax limitations enacted under Proposition 2-1/2 in Massachusetts. Four case studies were developed based on interviews with key local officials and service providers in Arlington, Cambridge, Duxbury, and Springfield (Massachusetts) to illustrate the impact of Proposition 2-1/2 on local political processes and decision-making. The communities were chosen to represent differences in size, political organization, fiscal circumstances, and variety of children's services. Analysis indicates that the capacity to provide children's services was reduced not only by cutbacks, but by the accompanying decline in morale among public employees. Summary findings about the problem-solving process include the following: (1) public support was an important factor in Arlington and Cambridge where debate focused on quality of services; (2) the close interaction between public and private sectors in Duxbury represents a trend likely to increase in the future; (3) heterogeneous groups of teachers, parents and others combined to find common solutions in Cambridge; (4) focusing on the single issue of public safety obtained limited results in Springfield. A list of six references is appended. (FMW)

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Keeping Up With California: The Impact of Massachusetts' Proposition 2-1/2 on Local Children's Services

Karl E. Kim

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With the passage of Proposition 2-1/2 in November 1980, Massachusetts joined the ranks of the nearly 40 states with recently imposed tax and spending limitations. The new law in Massachusetts limited property tax rates to a maximum of 2.5 percent of fair market value. Municipalities with rates higher than that were required to cut back 15 percent per year until their rates reached the maximum level. Communities below the 2.5 percent limit were permitted to increase their levies, but by no more than 2.5 percent year year.

The proposition 2-1/2 referendum generated substantial controversy. Proponents of the measure launched a successful campaign, heavily financed by industry,championing the issues of tax relief and the elimination of government waste. Opposition to Proposition 2-1/2 came from public employees, urban residents, and a broad-based coalition of human service providers. In spite of doomsday projections of cutbacks and layoffs, 59 percent of the electorate supported the initiative.

During the first year under Proposition 2-1/2, the 351 communities in the state lost an estimated $340 million in property tax revenues. Although these loses were offset by a $230 million increase in state aid to municipalities, local budgets were cut by an estimated $136 million. In general, the large, poor, urban communities suffered the greatest revenue losses and shouldered a disproportionately large share of cutbacks. A recent study of changes in municipal appropria-

tion levels (Kim, 1982) found that the largest cutbacks in services occurred among parks and recreation, streets, libraries, and schools. In contrast, police and garbage collection fared better than other services. While there was a definite pattern towards cutting "non-essential" expenditures and deferring capital maintenance (Susskind: 1982), the large reduction in school expenditures was surprising. Generally, the data suggest that children attending public schools and using parks, recreational programs, and libraries are potential losers in the wake of the Proposition 2-1/2.

While there has been considerable discussion about the impact of Proposition 2-1/2 on the fiscal structure of the state, relatively few studies have addressed changes in service delivery, particularly services delivered to children.[1] Most of the public attention has focused on potential cutbacks in "essential" services, such as public education and public safety. Yet, as the California experiences with Proposition 13 suggests, children's services are especially vulnerable during periods of fiscal retrenchment.[2]

In Massachusetts, there are about 670,000 children in the six to thirteen age group. Approximately 57 percent of these children are in families with both parents working (Morgan, 1982). While the exact number of "latchkey children" (those who care for themselves while their parents are at work) in Massachusetts is not known, the national percentage of such children (7-13) is estimated to be about 14 percent

(U.S. Department of Commerce, 1974). These are children at risk of "emotional neglect, accidents, fire, over-exposure to television, physical harm from adults or other children, improper nutrition, and peer pressure which could lead to juvenile delinquency, teenage pregnancy, and drug or alcohol abuse." (Morgan, 1982). In the absence of daycare and adult supervision, these are the children who stand to benefit most tangibly from after-school programs, organized recreational activities, and locally-provided children's services. The services are not only of value to latchkey children, however, and in most communities a majority of young people use some program or facility.

The state government in Massachusetts provides a significant portion of all public services to children with the primary emphasis on day care, long-term residential care, and child-protection. The Office for Children is the agency most responsible for coordinating services to children, but a large number of programs are handled by the Department of Social Services and the Department of Public Welfare.

The level of local government involvement in children's services varies widely across the state. In some communities, services are limited to municipally-maintained parks and recreational facilities. Other communities offer library and museum programs for children. In some areas the range of available programs is quite large and includes educational activities, organized sports, and meal programs. The diversity among communities results from differences in the level of

budgetary resources, community organization, inter-agency cooperation, and public demand for programs.

In most communities, the school system plays a central role in coordinating after-school hours programs. Often school facilities and personnel are used, although the program may be organized by another municipal agency or a private provider. School officials often work with parents to secure after-school daycare, particularly if the family needs financial assistance. Although most teacher contracts in the state stipulate a six hour work day, many teachers supervise after-school activities on a volunteer basis (regarding such time contributions, once or twice each week, as part of their job). Yet with cutbacks, and the associated declines in employee morale, many teachers are less enthusiastic about volunteering their services after-school.

Due to the sprawling organizational character of children's services and varying levels of municipal commitment, the study of the impact of Proposition 2-1/2 on children's services tends to be a study of contrasts. This paper, a description of children's services in four communities, will illustrate these contrasts.

A case study approach was undertaken here for a number of reasons.[3] Since there is no centralized source of data regarding locally provided children's services, interviews with key local officials and service providers were necessary. Also, while children's services, like most others, were affected by

Proposition 2-1/2, the new law's impact has not been uniform. The case studies focus attention on local political processes and decision-making. Study communities were chosen to represent differences in size, political organization, fiscal circumstances, and pre-Proposition 2-1/2 programs for young people.

Several factors contributed to the fiscal differences among Massachusetts communities. While all communities depended heavily on property tax revenues, there were tremendous disparities in property tax bases and property tax rates. While 182 of the 351 communities were required to cut their property tax levies, under the new law, 169 were permitted to increase their levies by two and one-half percent. Because of the motor vehicle excise tax reduction, every city and town suffered some revenue loss. While the state government enacted additional aid to be distributed to cities and towns, this "bail-out" money was not distributed evenly according to the Proposition 2-1/2 losses. Some communities received more aid than revenue loss, while others received less than half the amount lost due to Proposition 2-1/2.

The case studies are confined to aspects of children's services provided at the local level. This is because Proposition 2-1/2 cut only local taxes and expenditures, not those of the state government. In Massachusetts, cities and towns play the dominant role in terms of local government service provision. County and regional governments provide limited services, such as judicial and transportation services. These units of

local government are financed by charges and assessments to the municipalities under their jurisdiction. Proposition 2-1/2 had a greater impact, therefore, on cities and towns more than any other level of government. Due to Proposition 1-1/2 most municipalities were forced to prioritize service needs and reallocate tax dollars. For these reasons, this study examined those local agencies which funded and administered children's services--schools, parks and recreation departments, libraries, and other departments that had children's programs.

Two of the communities studied (Cambridge and Springfield) have city governments and two (Arlington and Duxbury) are organized as towns. Cambridge, Springfield and Arlington are large, densely populated urban communities. Duxbury is a small, wealthy, residential community at the base of Cape Cod. While the other three communities suffered significant losses in property tax revenue after Proposition 2-1/2, Duxbury was one of the communities that increased property tax collections in FY82. The selection of case study sites was based on several assumptions. First, that the extent of the revenue losses from Proposition 2-1/2 would have a corresponding impact on the provision of children's services. Second, that differences among the communities would emerge due to the level of pre-Proposition 2-1/2 commitment to locally provided children's services. Third, that depending on the resourcefulness of municipal agencies, children's services in some communities would be spared serious cutbacks. The analysis of locally

provided children's services in these four communities showed that both the fiscal impact of Proposition 2-1/2 on children's services and the local response to that impact varied greatly.

Arlington: Sharing the Burden of Cutbacks

Arlington is one of the largest towns in the state (population 48,219). Roughly two percent of the residents are minorities. The town's 7,760 children comprise about 16 percent of the total population. Socioeconomically the community is largely middle to lower middle class. Almost entirely dependent on residential property taxes, Arlington faced severe revenue losses due to Proposition 2-1/2. Indeed, Arlington was required to cut property tax levies by the full, mandated, 15 percent. As a result, Arlington lost $4.75 million in property taxes.

Although voters in Arlington enthusiastically supported Proposition 2-1/2, the community had built up a reputation as a "model town government." Prior to the passage of Proposition 2-1/2, the Board of Selectmen, with strong citizen participation, conducted several large studies to determine budgetary priorities and assess social service needs.[4] In addition, the town manager led other town managers in the state in encouraging the state legislature to help ease the fiscal burden created by Proposition 2-1/2. While Arlington was one of the hardest hit communities, it was also better prepared to cope with the new law.

In spite of the 15 percent reduction in property tax revenues, the town reduced total expenditures by only 6 percent. The heaviest cuts occurred in libraries (-20 percent), public works (-18 percent), parks and recreation (-17.1 percent). There were also substantial reductions in police (-5 percent), schools (-4.7 percent), and human resources (-4.9 percent). Appropriations for the fire department, however, increased by about 3 percent.

The extent to which cutbacks were shared across all departments was striking. Although the percentage cutback in police and school budgets were lower than other less "essential" services, these two spending categories comprised a large proportion of the total budget. Moreover, the fact that human resource budgets were cut less in percentage terms than police budgets suggests that the town attempted to share the burden of Proposition 2-1/2.

Compared to many communities chartered as towns, Arlington provided a high level of public services, particularly human services. In addition to a separate human resources department (unusual among Massachusetts towns), the town leadership expressed strong concerns about the special needs of elderly, youth, and non-English speaking residents. In the wake of Proposition 2-1/2, the Board of Selectmen held public hearings to develop a budgeting strategy. Among other things it was recommended that the Arlington Youth Consultation Center, a multi-service counseling and referral agency, be eliminated.

Through strong public lobbying and an agreement that it would become more financially independent, funding for the center was restored. This demonstrated both the town's sensitivity toward youth problems and the ability of human service providers to compete effectively for scarce public dollars.

Similarly, in the case of the Arlington library, political mobilization influenced the budgetary outcome. Plans called for closing one branch to maintain full resources and staff at the central library. Residents who used that branch were able to convince the town to reduce core reference services at the main library and keep the branch open.

Similar trade-offs occurred within individual departments. The town maintained school crossing guards, strongly supported by the public, by allowing vacant positions in the police department (three patrolmen, one sergeant) to remain unfilled. The town curtailed layoffs by reducing equipment purchases and deferring capital expenditures. Although the Planning and Community Development Department lost 25 percent of its local funds, layoffs were prevented by paying staff with federal money.

Children's service providers in Arlington suggested that Proposition 2-1/2 intensified long-standing concerns rather than altering the ways in which services have traditionally operated. Further, two main children's services--libraries and parks and recreation--suffered significant negative impacts following Proposition 2-1/2.

Libraries, which suffered the largest reductions in town

assistance, shortened hours of operation and eliminated staff positions. The two branch libraries closed earlier on weekdays and altogether on weekends. Similarly, the main branch eliminated Sunday operating hours. Two of the four children's librarians were laid off, which resulted in a discontinuation of the children's program in the branch libraries. In the second year of Proposition 2-1/2, one of the children's librarians was rehired, enabling the town to provide a children's program for two and a half days at each branch.

Prior to Proposition 2-1/2, about 700 children participated in the summer reading club--a program provided at all three libraries. When the branches eliminated this program, participation in the main library's club increased from 300 to 400, which suggested that approximately 300 children dropped out of the program due to the service reduction.

Children's book purchases were also reduced as a result of Proposition 2-1/2. At the main library, book purchases were cut from $10,000 per year to about $8,800. At the branches, the purchases were cut in half, from $3,000 to $1,500. In the second year under Proposition 2-1/2, children's book purchases at the main library were reduced further to $8,000 while remaining at $1,500 at each of the branches. This is a sizeable reduction given inflation and high cost of children's books.

The Arlington Library plans to rehire one young readers' librarian--which the town has not had for three years. The addition of this staff member, along with plans to increase

cooperation between the library and the parks and recreation department should help to fill some of the loss in services experienced in recent years. The cooperative programs include a craft workshop and a story hour conducted by library staff. The summer day camp programs will charge a fee to children who participate. While this is not a major new source of revenue, it demonstrates how the town has attempted to share the burden of cutbacks across departments.

The library endowment blunted the impacts of Proposition 2-1/2 to some extent. In spite of the endowment's substantial contribution to the operating budget, there were still cuts in local dollars that weakened the library's ability to leverage state and federal matching funds. Neither are other sources of revenue being tapped. For instance, there are no plans to increase fines or charge fees for service.

Some of the fiscal pressure on the library system existed prior to Proposition 2-1/2, and some steps are being taken to replace services lost over the past few years. Nonetheless it is apparent that children's library services, particularly at the branches, have suffered as a consequence of the Proposition.

With recreation services, the imposition of new fees played an important role in maintaining services at pre-Proposition 2-1/2 levels. The parks and recreation department suffered an 18 percent reduction in funding during the first year of Proposition 2-1/2. With increases in fees, the department was able to avoid virtually any reduction in programs. However, four

of the sixteen supervised parks were closed. Four more parks will be closed in FY83. This is one of the most serious consequences of Proposition 2-1/2 in Arlington. The recreation department has tried to keep a park within a quarter mile of each neighborhood. In this way, the burden of cuts was shared throughout different parts of the town.

Four full-time and approximately 150 part-time staff operated the parks and recreation program. During FY82, approximately 8,000 children participated in the year round recreation programs and 250 children per week used the skating facilities. Following Proposition 2-1/2, some of the recreational activities were reduced from ten week to eight week sessions. In addition some part-time staff were eliminated. Moreover, there was increased use of volunteers for supervision of recreational activities.

The recreational program in Arlington was quite diverse, including gymnastics, organized team sports, drama, swimming lessons, and field trips. It also included a summer day camp program. Most of the fees for these programs were increased. The fees varied widely by the cost of activity, and, according to the Director of Parks and Recreation, were increased only to meet the costs not met by town appropriations. The town plans to continue the use of fees.

The fee increase, which amounted to about 20 percent for some services and higher for the more costly services, has imposed hardships on lower income residents. It is too early

to determine the extent to which heavier reliance on fees has changed the service population. Service providers speculated the the fee structure will lead not only to a more wealthy client group, but also, to an increase in the age of participants.

Generally, children's services in Arlington suffered following enactment of Proposition 2-1/2. Yet for a community of only modest socio-economic status and a high percentage of elderly residents, children's services fared reasonably well. The cutbacks in libraries and parks and recreation represented genuine losses. However, from the perspective of providers, cutbacks could certainly have been more severe. Local officials and agency personnel expressed great pride in twon services, maintained in the face of harsh fiscal conditions. Although it is a large community, Arlington demonstrated a spirit of cooperation and sharing of the burdens imposed by Proposition 2-1/2.

Cambridge: Overriding the Impacts

Adjacent to Arlington is the city of Cambridge. It has a population of 96,000 and is one of the largest municipalities in the state. Best known as the city where Harvard University and M.I.T. are located, Cambridge is also the fifth most densely populated city in the United States. Twenty percent of its residents are non-white and an extremely high percentage (77 percent) are renters rather than home owners. Close to 30 percent of the population is in the low income bracket. A politically liberal community, Cambridge is one of the few

Massachusetts cities to adopt rent control and to impose a ban on condominium conversion.

Cambridge was also one of the few communities in Massachusetts to vote against Proposition 2-1/2 (by a 2-1 margin). In addition, Cambridge voters passed a local referendum overriding (for one year) the cutback provisions of Proposition 2-1/2.[5] The override allowed the city to cut just half of the $10.2 million in expenditure it would otherwise have been forced to cut.

A relevant development in Cambridge's recent history was the reorganization of the human services department. Five departments (recreation, elderly services, youth resources, civic unity committee, and the community schools program) were consolidated into one department. The new system was designed to create more accountability, tighter organization, and greater efficiency. Cambridge, in spite of fiscal pressure, has come to regard human services as a vital component of local government.

In the first year of Proposition 2-1/2, Cambridge avoided major cuts or lay-offs in all departments except schools and public works. The strategies used to cope with Proposition 2-1/2 included: increased fees (by $5 million), effective lobbying to increase state aid (by $1.2 million), improved efficiency, deferral of capital expenditures, reduced maintenance, and elimination of vacant positions. These measures enabled the city to increase total budget expenditures from

$128 million to $130 million, although property tax revenues were cut from $80 million to $68 million (the full 15 percent mandated by Proposition 2-1/2). During the first year of Proposition 2-1/2, municipal spending on police and fire protection increased by a small amount, while spending on virtually all other services decreased. In Cambridge, the percentage change in departmental appropriations was a misleading index of Proposition 2-1/2's impact. Because of contractual stipulations regarding wage increases, most departments could not maintain pre-Proposition 2-1/2 levels of employment without layoffs. The most drastic reductions in force occurred in the school system where 183 positions were eliminated, including 19 administrators and 139 teachers. The public works department lost 77 of its 380 employees. In addition, 25 detectives were demoted to uniformed police positions, school crossing guards were reduced from 56 to 40, the fire department lost 20 of its 300 employees, the human services department reduced employment by 18 positions, and the city eliminated seven librarian positions. These reductions in force were considerably less than early predictions (made by city manager and department heads) of 100 firemen, 100 policemen, 175 public works employees, and 250 teachers.

The passage of the override spared Cambridge from further cutbacks. An alliance of teachers, parents, public employees, and civic leaders was behind the successful campaign, known as the "Coalition for Cambridge." Although children's services

were not the focus of this campaign, the outlook for children's services became brighter once the override was passed.

The initial impact of Proposition 2-1/2 on children's services was quite severe. In the school system, remedial reading, home economics, industrial arts, special science instruction, art, foreign language and library services were cut. Gym teachers for kindergarten through third grade were eliminated, forcing classroom teachers to conduct the state-mandated gym classes. In secondary schools, many electives were eliminated, along with guidance counselors, learning disability staff and teaching assistants. These service reductions generated substantial concern among parents and forced additional responsibilities on an already demoralized work force.

The schools' music department was one of the only departments to avoid serious reductions. Since 1968, the school system has had a large and successful music education program. In addition to providing music and instrument classes during school hours, there are many other school programs for elementary and secondary school children, including orchestra, choruses, wind ensembles, strong classes, and jazz programs. Initially, the Superintendent cut 19 music teachers, but because of parent opposition, the number of music teachers laid off was reduced to only five. With the override, the five positions were restored. Approximately 800 children participated in these extra-curricular music programs. The program continued without major disruption through the first year of Proposition 2-1/2.

Staff from the music department conveyed the impression that services were maintained because the community recognized the value of musical instruction. As one music teacher suggested, "children might have fewer learning disabilities if at an early age they are exposed to music lessons." Passage of the override helped insure continuation of the school music program and replacement of school-owned music instruments.

In contrast, Proposition 2-1/2 did have adverse effects on the public library system in Cambridge. In addition to losing children's librarians, part-time help was eliminated. As a result, librarians had to devote more time to shelving books and other routine tasks, which created a slow-down in services such as referencing. In addition to lowering the book budgets, purchases of supplies and instructional materials were also cut. This was particularly detrimental to the arts and crafts programs. Nevertheless, children's services continued to be provided by internalizing many of the programs. For example, in the pre-Proposition 2-1/2 days, outside storytellers and puppeteers were brought into the library at nominal cost. In the absence of funds to cover these expenses, librarians took on these activities--although some of the guest performers continued to provide service on a volunteer basis. The libraries also continued to provide a wide range of after-school activities, including toddler groups, workshops for young babysitters, and reading programs for elementary school children. Saturday programs continued to be popular, drawing audiences of up to 100 children.

Resources from the override were used to maintain branch and bookmobile operations, albeit with the cuts detailed above, and somewhat improved the short-term outlook for the library. But the uncertain future is symbolized by a partially installed computer system, planned before Proposition 2-1/2. There are no funds available to complete or operate the new system.

In the Human Service Department, the two divisions that provided extensive service to children--reaction and community schools--have come to rely increasingly on user fees. The city has worked to make these programs financially self-sufficient.

The recreation department provided service to children, youth and adults. In addition to operating pools (summer and year round), a golf course, tennis courts, playing fields and basketball courts, the recreation program also provided athletic instruction, supervision of playgrounds, sports leagues, free playground meals, summer day camp, and indoor activities. Although park leaders were reduced from 50 to 25, the overall changes in personnel following Proposition 2-1/2 were not substantial, largely because of increases in fees. In spite of these cost increases, participation increased and many of the recreational activities became self-supporting. In addition, private sector fund-raising helped to defray some of the costs of uniforms and field maintenance. Moreover, the recreation program worked closely with five or six private providers (e.g., Y.M.C.A.) to maintain services, such as the distribution of

free lunches to needy children during the summer. While there was greater emphasis on fees, some of the additional costs to children were offset by funds raised by neighorhood recreational councils.

Community schools, a program which began in Cambridge about ten years ago, uses school facilities during non-school hours to provide recreational and educational services to the community at large. Following Proposition 2-1/2 this program was de-funded, reducing the annual allocations from $5,000 to $3,500 at each of 14 neighborhood schools. The city appropriations covered only a fraction of total program expenses. The remainder was made up by program fees. The program generated roughly $1 million in fees. With municipal appropriations, program expenditures totaled to approximately $1,049,000. Prior to the reorganization of the human services department, programming at each community school was determined by a community schools board in each neighborhood. Following reorganization, the City-wide Coordinating Committee was established to replace the neighborhood boards. The committee attempted to focus more on city-wide human service issues to allow for greater integration of the neighborhoods.

Programming in the Community Schools was quite diverse and included senior citizens activities, after-school day care and English language instruction. Individual Community Schools emphasized programs for special need groups, such as the elderly. Approximately 150 children participated in after-school

care programs, paying fees ranging from $12 to $25 per week. According to city officials, interest in the community schools program has not waned in spite of the cutbacks associated with Proposition 2-1/2. They stressed that the only service to be eliminated was a behavioral modification mini-bike riding program, where troubled adolescents were allowed to ride mini-bikes (under adult supervision) once they had worked out a contract or agreement with parents (e.g., to attend school regularly, stop drug usage, or cease anti-social behavior). Although the override enabled restoration of one youth specialist position, and summer staff funding for the teen center, it did not bring back the mini-bike program. Further, with the override, there were plans to restore, in piecemeal fashion, some of the after-school programs (e.g., basketball, volleyball, track, etc.) for elementary and junior school children. These programs were to be provided free of charge.

Conditions in Cambridge would have been considerably worse if residents had not passed an override measure. The school system was, perhaps, one of the hardest hit in the state. Proposition 2-1/2's toll on the morale of public employees, including teachers, librarians, and social service providers was quite evident. The override restored not only the city's capacity to meet the needs of residents, but also restored a modicum of optimism during a time of uncertainty.

Duxbury: Business As Usual

The Town of Duxbury, a small residential community (population 11,807) located at the base of Cape Cod, was one of the municipalities that appeared to defy the mandate of Proposition 2-1/2 and actually increased its property tax levy by 2 percent in FY82, from $9.7 million to $9.9 million. Due to an increase in state aid and revenues from fees and user charges, budgets in all departments increased during the two years following passage of Proposition 2-1/2. The school department was the only department to suffer a reduction in force, from 296 employees to 257. Much of the reduction was achieved by allowing the vacancies created by retirement to remain unfilled.

In the year prior to the limit, property taxes increased by 14 percent. While Proposition 2-1/2 has helped to slow the growth of property taxes, it has created special problems for Duxbury, where close to 60 percent of all revenue came from the property tax. The town has few options for raising new revenue. Other communities can consider ways to tax hotel rooms, parking lots, office development, college students, commuters, tourists and businesses. Since close to 90 percent of the property in Duxbury was residential, when the town needed more money, it had to go back to the homeowners, the same homeowners that helped to vote Proposition 2-1/2 into law.

While Duxbury survived the first few years of Proposition 2-1/2, the new law's impact may become more severe in the future. Under Proposition 2-1/2, once communities are certified

at 100 percent full market valuation, tax levies can only grow by two and one-half percent per year. This limit applies regardless of inflation or new construction. Because Duxbury avoided any serious impacts in the first years of the initiative, the town did not need to implement new policies or confront tough fiscal choices, and the business of government continued as usual.

In spite of outward appearances, there were some signals that the town was facing an uncertain fiscal future. While the town made emergency repairs of equipment and property, all major capital expenditures were postponed. The town did not fill vacant staff positions, which had a particularly strong effect on the school department. The Superintendent expressed concern over Proposition 2-1/2 because unlike many Massachusetts communities, pupil enrollments in Duxbury had increased by over 25 percent in the last five years.

Communities such as Duxbury primarily used tax dollars on public education. Sixty-six percent of the property tax was used for schools and 70 percent of school expenditures were financed by property taxes. The property tax also funded a police department, fire department, public works department, library department, parks and recreation, and government administration. Few human services were provided and the town did not have a human services department.

In a wealthy, suburban, and largely residential community such as Duxbury, human service problems were not a major issue.

Instead, the dominant concern of homeowners was tax relief and the quality of general purpose services, such as schools and public safety. In the town, only two departments provided services to children during non-school hours. Both the library and parks and recreation have relied heavily on community support and had, over the years, reduced their dependence on municipal dollars.

The Duxbury Free Library employed one full-time librarian and three part-time staff. There were a variety of programs for children. During the school year, the librarian conducted a story program for approximately 120 pre-schoolers. During the summer, 250 children in grades 1-8 participated in the summer reading club. In addition, the library provided a children's film series and puppet shows. The book budget was level funded for the past five years and increased by $7,000 for FY83. The library was committed to providing children's services and allotted 24 percent of the annual book budget to children's books. Proposition 2-1/2 led to two changes in the library system. First, the number of high school student pages (who shelved books and performed routine tasks) was reduced. This change hampered the ability of regular staff to perform specialized library services. Second, a larger share of annual expenses was covered by the library trust fund instead of municipal appropriations. This led to an increased need for private fund-raising. In the first year of Proposition 2-1/2, there was little indication that library services to children suf-

fered, and despite some minor cutbacks, program participation remained unchanged.

The recreation department provided a swimming pool as well as after-school, evening and weekend recreational activities. An estimated 50 to 75 percent of all Duxbury residents utilized facilities or participated in programs. Recreation in Duxbury was heavily oriented toward sports. Users of facilities paid fees to cover most of the operating costs. For several years prior to Proposition 2-1/2, fees constituted a larger and increasing share of total recreational expenditures than tax dollars. For this reason, recreation programs did not experience budgetary or personnel cuts. Due to Proposition 2-1/2, however, expenditures on maintenance, materials, and equipment were curtailed. Fees were increased although no new programs were added, nor were improvements made in existing programs.

An estimated 75 percent of the 3,100 children in Duxbury participate in the town-provided recreational activities. Although fees increased for these programs, there was no noticeable decline in participation.

In general, the public played a large role in determining the level of recreational services available to residents. The community was most concerned about the capacity of programs to be self-supporting. Although the municipal pool was a gift to the town, the Town Meeting was twice asked to vote on accepting the gift. On both occasions, the consensus of the

Town Meeting was to accept the pool only if it was self-supporting.

Although the town operated and maintained fields and tennis courts, there were some examples of community action in the absence of government support. When the town refused to appropriate $10,000 for an ice hockey program, residents formed the Duxbury Youth Hockey, Inc. and raised the funds in a matter of weeks. When increases in youth soccer programs were refused by the town, in spite of growing enthusiasm for the sport, residents formed another association to finance expansion of the program. During these developments, there remained a high degree of cooperation between the town recreation department and various private organizations. Other examples of cooperation include the town's beach and parking lot which were privately owned and managed by a non-profit organization, but leased by the town for $12,000 per year. Similarly, the community tennis organization used municipal courts to meet increased demands for tennis lessons in spite of cutbacks in municipal service provision.

Duxbury, unlike many communities in the state, withstood the impacts of Proposition 2-1/2 without serious harm. The long-run consequences of the law, however, have yet to come to bear on town operations. Duxbury was a community where much of the gap in public sector resources were made up by private sector in the form of contributions and alternate service arrangements. In such communities, the potential harm to

children's services because of Proposition 2-1/2 was considerably less than in areas with fewer private sector resources.

Springfield: Cutbacks in Children's Services

Springfield is the second largest city in the state (population 152,319). Located in western Massachusetts, the city has a substantial minority population--blacks and Hispanics constituted 33 percent of the population in 1980. Until the mid-1970's, Springfield was a decaying urban area, suffering from suburbanization, industrial decline, and tax base erosion. Since 1976, a large scale effort to revitalize the city has spurred the development of retail and office space, as well as market-rate housing. Until Proposition 2-1/2 the city was in a strong fiscal position, with a AA bond rating.

Proposition 2-1/2 passed in Springfield by a narrow margin of 1,500 votes. The new law had a severe impact on the city. To comply with Proposition 2-1/2, the city had to cut the full 15 percent from the property tax levy, amounting to a $9.57 million revenue reduction. With state aid, Springfield's total budget increased by 1.3 percent. The increase went to salary increases, street lighting, and to increased funding for police, the fire department and the municipal hospital.

Those departments which suffered the heaviest cutbacks were parks and recreation (-13.2 percent), libraries and museums (-6.7 percent), and schools (-5 percent). Budgets were increased in the police department (2 percent), fire department

(1 percent), municipal hospital (5 percent) and the public works department (6 percent). The human services department suffered a 25 percent reduction, although much of this reduction was due to federal cutbacks.

Proposition 2-1/2's toll on city services was high. Four schools were closed and 149 teachers were laid-off. The city eliminated free ambulance service and transferred the 24 employees to fire department duty. The city deferred many planned capital improvements and made few new equipment purchases. Where possible, the city increased fees and user charges.

In Springfield, public safety had a commanding edge over other "less essential" services. The impact on children's services was the most severe of the four communities examined in this study. In addition to closing four schools, the city consolidated the alternative junior and senior high schools, reduced the program for pregnant teenagers, cut 60 percent of all athletic programs, and a third of all teaching specialists. In addition to elimination of new book purchases, the city raised the cost of school lunches by 25 percent and increased all fees for adult education.

While the library avoided branch closings, hours of operation were reduced. In addition to reduced book budgets and lowered funding for special programs such as those conducted in neighborhoods with high ethnic concentrations, Proposition 2-1/2 restricted the hiring of children's librarians. As in

Cambridge, many of the library programs were changed to accommodate in-house production of previously contracted services. The library relied more on its trust fund and instituted new fees for special programs which had been provided free of charge prior to Proposition 2-1/2. These were significant changes because in Springfield, children used the libraries more than any other population group. Librarians suspected that this change in the policy of free service would deter low income children from participating in library-sponsored activities. The increase in fees was not substantial, however, and library usage among children increased after passage of the new law. Librarians speculated that this increase was a consequence of the severe cutbacks in city recreation programs.

Springfield cut deeply into its public recreation programs during the first year of Proposition 2-1/2. Parks and recreation suffered the largest reduction of any department in the city. Recreation programs were cut by 32 percent, while maintenance of parks increased slightly. Although the Superintendent of Parks and Recreation called Proposition 2-1/2 "an opportunity to carry through reorganization and increase managerial accountability," real reductions in service occurred in the first year of the law. Six of the 19 municipal pools were closed. Fourteen lifeguards were laid off. The summer swimming program was shortened by two weeks and the winter swimming program was eliminated. Three bath attendants were laid off. Eleven of 31 playgrounds were closed and 25 recreation leader

positions were eliminated. Six of 21 recreation centers were closed. The 37 week winter recreation program carried out in three centers was reduced to 15 weeks; the 19-week winter programs were reduced to ten weeks. The 31 week special needs program also provided during the winter was reduced to a 24 week schedule, and the city eliminated 17 of the winter recreation leaders. Moreover, the reorganization of the recreation programs led to centralization of activities in the main park area. There were few, if any increases in fees, even in facilities such as the ice rink and golf course. There was, however, some shift in programming towards activities such as aerobic dance in which participants were able and willing to pay fees. The cutbacks in service, closing of facilities, and the shift towards revenue raising adult-oriented programs suggested that children were among those most hurt by the changes in recreational policy in the aftermath of Proposition 2-1/2.

The effect of changes in children's services in Springfield was perhaps more pronounced than in other communities because of the large numbers of "latch-key" children. In Springfield, female-headed households outnumbered male-headed households by almost two to one. When this statistic is combined with increased female labor market participation in two parent families, the extent of the latch-key problem in Springfield is evident. Moreover, the problems were worse in low income areas, where many parents were unable to afford daycare, and in ethnic areas where parents were unfamiliar with state-

assisted programs. A recent series in the Springfield newspaper documented growing concern over latch-key children, but there was little done to restore the cuts in municipal services. There was one latch-key program offered by a private provider (Y.M.C.A.), which provided care for children referred by the Department of Social Services (State of Massachusetts) and the Springfield Schools. There were about 20 children on the waiting list to this program which provided service to 25 of Springfield's 25,733 children.

Children suffered major service losses following passage of Proposition 2-1/2. Although the city closed parks in upper-income neighborhoods, the most serious losses in service affected low income, minority children. (And a higher percentage of children (37 percent) than adults were minorities.) These children were the population group most dependent on city-provided recreational programs and supervised after-school activities. The maintenance of playing fields suggested that the city placed a higher priority on the provision of service to sports leagues than on children's services. The failure to increase fees at the municipal golf course also suggested a general unwillingness on the part of the city to encourage subsidization of children's services at the expense of more affluent residents.

Summing Up: Children's Services Following Passage of Proposition 2-1/2

In the four communities studied, the level of locally provided children's services varied quite widely. In Arlington, Cambridge and Springfield, local government provided a range of recreational and educational activities for children during non-school hours. In Duxbury, the smallest community examined, the town provided only minimal public service. In all communities, the libraries and parks and recreation department played an important role in service provision. Cambridge was the only community to offer extensive after-school programs that involved the use of school facilities. Presumably, the programs in Cambridge mitigated some of the problems associated with latch-key children.

The needs of children also varied across the four communities. In Cambridge and Springfield, there were large numbers of low income, minority children. In Arlington, children's service providers suggested that the latch-key phenomenon was a growing problem in at least two lower middle income neighborhoods where there has been growth in the number of two-working-parent families. In Duxbury, families apparently were able to afford daycare more easily than families in the other three communities. In Cambridge and Springfield there were large non-English speaking populations, with special needs for the children in these communities.

Although children's services were affected by Proposition

2-1/2 in all four communities, these services were not a central issue in local debates preceding the Proposition 2-1/2 referendum. Indeed, the topic of children's services drew much less attention than the highly publicized potential for layoffs and service reduction in police, fire, and school departments. Most of the pre-Proposition 2-1/2 debate focused heavily on the "essential" services, and not the many smaller programs for children. In terms of how the state "bail-out" money was used, concern at both the state and local level focused almost entirely on the restoration of "essential" services. In order to offset the estimated $340 million dollar reduction in local property taxes, the state secured an additional $230 million in "bail-out" money by cutting state programs. Presumably, this adversely affected state-funded children's service programs (e.g. daycare). Estimates of the loss in children's services were not available from the state. Here too, there appeared to be a general deficit in the area of planning for children's services.

Once the law had passed, communities sought different strategies for meeting the mandate of Proposition 2-1/2. Most of the concern at the local level focused on acquiring new revenues--through increased property assessments, greater state aid, higher fees and charges, deferral of capital expenditures, and sales of municipal assets. The strategies for coping with Proposition 2-1/2 differed across the state. Communities like Arlington sought to spread the burden of cutbacks

across all departments. Communities like Springfield saved "essential" services such as police and fire protection and the municipal hospital, at the expense of parks and recreation, libraries, and schools. Cambridge was one of the few communities that overrode the impacts of proposition 2-1/2 with a local referendum. Communities such as Duxbury fared well under the first year of the newly enacted law.

In general, children's service providers plays a lesser role in the outcome of local budgetary processes than other groups. An exception to this was found in Arlington, where children's service providers demonstrated the ability to compete effectively for scarce public dollars. In Cambridge, the restoration of children's services was described as "a consequence of the actions of a broadly-based coalition that worked for the override . . . the benefits of the override filtered down to children's services as well as other services." In Springfield, local authorities commented on the "surprising lack of public resistance to cuts in schools and other children's services."

The impact of Proposition 2-1/2 on children's services varied widely because of several factors. First, Proposition 2-1/2 had a disparate impact on the revenue raising capacities of cities and towns in the state. Second, the level of pre-Proposition 2-1/2 children's services provided at the local level differed by community. Third, children's service providers had relatively more or less access to political power.

Finally, communities coped differently with Proposition 2-1/2, which led to different outcomes for children's services.

Making the Most of Less: Some Lessons for Children's Service Providers

The four case studies presented provide some hard lessons for children's service providers. Fiscal conditions at the local level of government are not likely to improve in the near future. While the wave of tax and spending limitations which started in California with Proposition 13 may have passed, austerity, retrenchment, and cutback management are likely watchwords of local administrations in the 1980's. Operating in such an environment will undoubtedly be hazardous to many children's service providers, yet the need to provide the services will persist. Unfortunately, advocates of children's programs at the local level are a threatened species, particularly as police, firefighters and other municipal workers join in the chorus for more public dollars.

In Massachusetts following Proposition 2-1/2, there has been surprisingly little reorganization of government services. The state government has not assumed control of the children's services lost to Proposition 2-1/2. There has been little, if any, new regionalization of children's services. Cooperation between the public and private sector has flourished only in isolated instances. Rather than reorganize at the local level, providers continue to maintain their turf in

spite of shrinking budgets and declining personnel. Unfortunately, most children's service providers can claim their share of local tax dollars, once the "lion's share" has been cut away.

The capacity to effectively provide children's services is reduced not only by cutbacks, but by the accompanying decline in morale among public employees. In the first year of Proposition 2-1/2, the state experienced an increase in sick leaves, absenteeism, resignations, and grievances (Black, 1981). Labor relations have become increasingly complex and involve the interaction of contracted pay increases, affirmative action, seniority rules, and layoff and attrition procedures. All of this can lead to questionable service outcomes and greater job dissatisfaction. Children's service providers are being asked to go "above and beyond the call of duty" during these hard economic times, and their capacity to respond influences not only the quality of services provided, but also public support of those services.

Public support of children's services was an important factor in Arlington and Cambridge, where vocal residents helped to restructure the debate regarding trade-offs between "essential" and "non-essential" services into one concerning the quality of public services. Quality of community life may prove to be a more compelling argument than one emphasizing the trade-offs between policemen and librarians--public employees who provide two very different kinds of municipal ser-

vice. While communities such as Duxbury and Arlington may find it easier to establish agreement on the public's preferences for a mix of government services, communities such as Cambridge prove that with skilled organization it is possible to combine heterogeneous groups--teachers, parents, and others--to find a common solution to dilemmas presented by Proposition 2-1/2. In Springfield, unfortunately, the public had mobilized around a single issue--public safety--which resulted in only a partial solution to their problems. The avoidance of single-issue politics may help to insure that all provider groups can be involved in reshaping local government policies.

The close interaction between the public and private sector in Duxbury, which has developed over many years, represents a trend likely to increase in the future. When government taxes and spending are decreased, most taxpayers should enjoy at least some increase in personal income with which to purchase services from the private sector. Perhaps there will be increased privatization of children's services because private providers can offer the services more efficiently. In this period of transition, public providers need to seek out private sector organizations to insure that the concerns of affordability and equity continue even with an increased private sector role. The formation of non-profit organizations provides a starting point for public sector providers who face both a demand for service and withdrawal of public resources.

In order to circumvent the likely neglect of children's

services during these difficult times, public providers need to take a more aggressive stance in developing alternatives, justifying municipal involvement, and organizing municipal resources. To some extent, this involves a re-education of those involved with children's services. Organizing, financial analysis, and planning are skills which need to be developed. The constraints facing providers and their clients are not likely to lessen. In the face of cutbacks and service reductions, cities and towns need to make special efforts to protect current long-range investments, including the futures of children.

Notes

1. A major study is underway, under the direction of Langley C. Keyes, MIT Department of Urban Studies and Planning, examining the impact of Proposition 2-1/2 and federal budget cuts on human services in Massachusetts.

2. See research by the Children's Time Study, including "Living With Less: Proposition 13 and Children's Services" (Rubin, 1981) and publications cited in Chapter One of this volume.

3. Three of the four communities examined were research sites for the Impact: 2-1/2 Project, at M.I.T. That project has been monitoring fiscal changes caused by Proposition 2-1/2 and acts as a clearinghouse for data on state and local finance.

4. With the help of civic leaders, social service providers, and the M.I.T. Department of Urban Studies and Planning, the Town prepared several surveys, needs assessments and budgetary reports prior to Proposition 2-1/2's passage.

5. The override affects the second year of Proposition 2-1/2. Any future changes in the state legislation require a new vote to be taken.

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